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'Secret war' in Nicaragua may expand

More money is needed,
CIA boss tells Congress

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WASHINGTON — CIA Director William Casey has told Congress that President Reagan favors expanding CIA assistance for Nicaraguan guerrillas by increasing their funds, their manpower and the scope of their activities, congressional sources say.

Congressional intelligence committee members and aides said Casey also told Congress that the expanded goals of the campaign would now include forcing Nicaragua's leftist Sandinista government to reduce its ties to Cuba and the Soviet Union.

Briefing a closed-door meeting of the Senate Intelligence Committee last Wednesday, Casey steadily denied that Reagan seeks to overthrow the Sandinistas, the sources said.

But he left some committee members with the impression that he expects the expanded CIA aid to give the *contras* — counterrevolutionaries — sufficient strength to trigger "political change" within Nicaragua, the sources said.

The administration's chief official goal in financing the *contras* has been the interdiction of weapons allegedly shipped from Nicaragua to leftist guerrillas in El Salvador, although no major interceptions have been reported.

The CIA chief hinted that the guerrillas' pressures had contributed to recent conciliatory offers by the Sandinistas, and suggested that more paramilitary pressure was needed to push the Sandinistas into further concessions, the sources said.

CIA spokesman Dale Peterson said the agency would not comment on the matter. All the sources asked to remain anonymous because of the classified nature of the information.

The sources said Casey told the Senate panel that the details of the expanded CIA campaign would be given to the House and Senate intelligence committees by mid-September, when Reagan submits a new Nicaraguan "finding" — a legally required report justifying and setting out the limits of covert operations.

The new finding would contain the administration's proposals for covert operations during the 1984 fiscal year, which begins Oct. 1. The Senate Intelligence Committee must approve both the finding and the 1984 covert budget before any money is released. The House intelligence panel is expected to vote

only on the budget, not on the finding.

The sources said that although Casey indicated that Reagan and his chief advisers have given preliminary approval to the new finding, he suggested that it was still officially under review and had not yet been endorsed by the National Security Council or signed by the President.

Congressional sources in contact with the intelligence community said they understand that the CIA is seeking between \$30 million and \$50 million for the Nicaragua operation in fiscal 1984. Other reports, not confirmed, put the figure at about \$80 million.

The agency initially had requested \$19.5 million for fiscal 1984, a figure similar to the amounts approved for fiscal 1982 and 1983, according to a Senate Intelligence Committee member.

A House Intelligence Committee member said the CIA has already gone over its \$19.5-million budget for fiscal 1983 because of the unexpected growth in the *contras*' strength, from about 1,000 men in 1981 to about 8,000 today.

Afghanistan operation

It is not clear how much the CIA overspent in Nicaragua, because it apparently dipped into its secret contingency fund for the additional cash. One member of Congress speculated that the overrun may have been anywhere from \$20 mil-

lion to \$50 million.

Congressional sources also understand that the CIA is seeking about \$300 million in fiscal 1984 to fund covert operations in other countries like Afghanistan, Cambodia, El Salvador and Guatemala. The agency's fiscal 1983 budget for such activities was about \$200 million, the sources said.

The Afghanistan operation, involving the supply of arms, food and medicine to rebels fighting Soviet forces, is reported to be the most expensive — about \$100 million per year — but not as extensive as operations in Central America.

House Intelligence Committee sources who have seen drafts of the new Reagan finding expected in September say it seeks to raise the estimated number of *contras* from a current level of about 8,000 to 12,000 and perhaps even to 15,000 by next spring.

Contra leaders who asked to remain anonymous said recently that although the CIA has set a funding limit of 8,000 fighters, they actually have armed another 2,000 with funds obtained elsewhere.

Congressional sources said Casey told the Senate panel that the new finding would expand the *contras*' official role beyond the interdiction of arms shipments to El Salvador. Their new goals would include pressuring the Sandinistas to cut back their ties with Cuba and the Soviet Union, hold democratic elections and stop exporting Marxist

revolution to their neighbors, the sources said.

Aid to Pastora?

Part of the proposed expansion of the CIA campaign also calls for the merger of the four main anti-Sandinista guerrilla groups: the Nicaraguan Democratic Force (FDN); the MISURA alliance of Miskito, Sumo and Rama Indian rebels; the Democratic Revolutionary Alliance (ARDE); and the Armed Forces of the Nicaraguan Revolution (FARN).

The FDN, the largest of all the groups with an estimated 6,000 to 7,000 fighters, receives the bulk of the CIA assistance. The estimated 1,000 to 2,000 MISURA rebels also receive U.S. aid, both directly from the CIA as well as through the FDN.

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FARN, with a few hundred fighters led by Fernando (El Negro) Chamorro — a onetime Sandinista sympathizer — moved under the FDN umbrella in May and now receives indirect CIA assistance.

The estimated 1,000 to 1,500 ARDE fighters, led by former Sandinista hero Eden Pastora, say they do not accept CIA assistance. Unconfirmed reports say that they do.

U.S. military analysts in the Defense Intelligence Agency have concluded that the contras will remain essentially a harassing force, of no real threat to the Sandinistas, until an alliance is achieved.

"Then and only then will the contras achieve the capability of overthrowing the Sandinista government," one U.S. military expert on Central America said recently.

The source said that in the absence of such an alliance, the anti-Sandinista guerrillas appear to be losing ground rather than increasing their pressures on the government.

Action postponed

A much-heralded FDN offensive expected last month failed to materialize and news reports from Nicaragua have given no indication of any major fighting in the past two months.

In Washington, there was widespread speculation among Congress members and aides with intelligence connections that the CIA had ordered a lull in the fighting.

With Reagan struggling to push his controversial Central American policies through a reluctant Congress, any major offensive by the contras at this time would have triggered a strong outcry, one source said.

Now that Congress is in recess, the source said, the CIA may give the anti-Sandinista guerrillas the green light to resume their battles.

If the fighting now flares, he noted, it would coincide with the deployment of thousands of U.S. troops in Honduras for the rest of this year for large-scale maneuvers.